



January 31, 2014

Elizabeth M. Murphy
Secretary
Securities and Exchange Commission
100 F Street, NE
Washington, DC 20549-1090

Submitted via www.sec.gov

Re: Comments on Proposed Rule: Crowdfunding (File No.: S7-09-13)

Dear SEC Commissioners and Staff:

We appreciate the opportunity to comment on the Proposed Rules for Crowdfunding (“Proposed Rules”) promulgated pursuant to Title III of the Jumpstart Our Business Startups Act (the “JOBS Act”).

iCrowd is an online advanced social network for connecting small businesses and investors in the U.S. Through a richly interactive web-based community, iCrowd aims to facilitate relationships, provide advice and education, and promote socially enriched exchanges that foster a shared passion for inspired ideas to empower entrepreneurs with the information, insight, and motivation necessary to translate these concepts into tangible business success. iCrowd intends to become a premier platform for enabling small companies to access capital under the provisions of the JOBS Act.

As advocates for the protection of investors, iCrowd believes that the SEC did an admirable job of interpreting the provisions of the JOBS Act and creating Proposed Rules that, with some areas of adjustment and clarification, are workable and will lead to greatly enhanced capital formation for small businesses.

The SEC asked 295 questions in its proposal. Our comments are limited to those areas where we thought the SEC should revisit the language of the Proposed Rules or provide additional clarification.

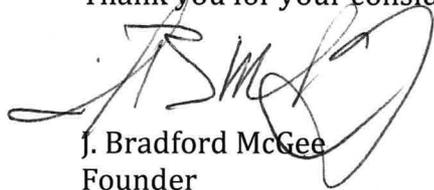
- 1. Ongoing reporting requirements.** The JOBS Act outlines the requirements for financial reporting in connection with a crowdfunded offering and includes review thresholds (by either certification, review, or audit) for financial statements, but does not provide any such requirements for financial statements provided on an ongoing basis. In contrast, the Proposed Rules require annual repetition of the initial financial statement reviews. These

annual review and audit requirements would continue for the life of the outstanding securities and would be unduly burdensome for the small companies likely to seek crowdfunding investment. The annual expenses would be imposed regardless of financial condition and could, in fact, harm investors in companies unable to support the review burdens. Using the SEC's estimated \$28,700 cost for an audit, this burdens an issuer with *annual* costs of between 2.87% and 5.74% of the original amount raised in order to comply with the audit requirement alone. For accountant-reviewed statements, costs range from 2.87% to 14.35% of capital raised. We propose changing the level of review for ongoing financial statements to reflect this reality. We recommend that the Commission require that financial statements be certified (as opposed to audited or accountant-reviewed) in ongoing reports regardless of the amount raised.

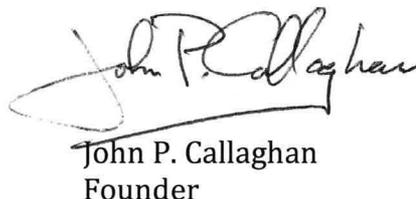
2. **Offerings of securities to be sold following the expiration of relevant 12-month periods.** The Commission's intent is clear that the \$1 million crowdfunding limit and financial review requirements will be calculated only on the basis of the aggregate of amounts "offered and sold" within any given 12-month period. Consequently, amounts offered but not sold (e.g. because of failed offerings) will be excluded when determining capital raising limits or required levels of financial review. We would like clarification that Issuers anticipating sales after the expiration of a relevant 12-month period will not trigger the \$1 million limit or face elevated review requirements if their offer (but not sale) occurs while the 12-month period is still running.
3. **Intermediary platform.** The Proposed Rules discuss the use of a "platform" by an intermediary, consistently referring to the platform in terms that indicate it belongs to the intermediary. We seek clarification from the SEC on whether an intermediary that relies on a third party to provide hosting services for its listings would be in compliance (and that the third party site be considered, for purposes of the rules, the intermediary's "platform") as long as the intermediary maintains control of offering content and ensures that all of the other requirements of the Proposed Rules are met.

If you have any questions concerning our comments or would like to get further clarification of the points we made, please do not hesitate to contact us.

Thank you for your consideration,



J. Bradford McGee
Founder



John P. Callaghan
Founder